



**INVESTIGATING THE DETERMINANT
FACTORS OF STRATEGIC ALIGNMENT
BETWEEN BUSINESS STRATEGY AND
INFORMATION SYSTEMS STRATEGY AND
THEIR IMPACT ON BUSINESS PERFORMANCE
- STUDY IN SRI LANKAN SERVICES SECTOR**

By

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Abstract

Numerous surveys have highlighted importance of strategic alignment between business and information system strategies. Potential of information systems in supporting organizational activities and helping them to gain competitive advantage has been widely recognized by researchers and the business community. Practitioners were generally positive and rated information technology as the firm's top strategic tool. Previous research indicated that strategic alignment of business strategy and information system strategy has significant level of influence on business performance. Therefore the purpose of this study is to examine the impact of business strategy and information system strategy alignment on business performance in the Sri Lankan context. The study limits to service sector organizations. A sample of one hundred and sixty two organizations was selected for the study. A self administered questionnaire was used to collect information. Measurements were arrived at priory. Properties of the measurement were tested. Correlation and regression analysis were performed to analyze data and test hypotheses.

The research findings indicate that the strategic alignment of business strategy with information system strategy has a significant impact on business performance. The strategic alignment of business and information system strategies is mainly directly and indirectly influenced by organizational factors, people factors and process factors. The path analysis further illustrates that strategy and strategic alignment facilitate to achieve business performance.

Keywords: Information Systems, Business Strategy, Strategic Alignment, Business Performance.